

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF KIMBROUGH) APPEAL NO. 07-A-2384
TRUST from the decision of the Board of Equalization) FINAL DECISION
of Canyon County for tax year 2007.) AND ORDER
)

FOUR-PLEX PROPERTY APPEAL

THIS MATTER came on for hearing November 28, 2007, in Caldwell, before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Walter Kimbrough appeared. Appraisal Supervisor Barbara Wade and Deputy Appraiser Doug Sweaney appeared for Respondent Canyon County. This appeal is taken from a decision of the Canyon County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Alt Pin N5075129006A.

The issue on appeal is the market value of a four-plex.

The decision of the Canyon County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$44,230 and the improvements value is \$237,900, totaling \$282,130. Appellant requests the land value be reduced to \$37,424 and the improvements value be reduced to \$201,351, for a total valuation of \$238,775.

The subject property is a .38 acre lot upon which four stand-alone rental units are built. Each unit is 720 square feet in size, built in 1979, and assessed for \$59,475 or \$97.96 per square foot.

Appellant began by referencing data obtained from a local realtor, which reported sale prices of residential property in Canyon County increased 22.7% between 2005 and 2006. Appellant reasoned subject's 2007 assessed value should have increased by that amount.

Appellant challenged Respondent's sale properties because they involved single-family

residences, rather than four-plex properties.

Appellant purchased subject in March 2006 for \$325,000. Respondent noted subject's current assessed value was less than the price paid by Appellant.

The four sales discussed by Respondent involved single-family residences of similar size and condition as subject, though they were considerably older. Respondent acknowledged subject was classified as a four-plex, it was argued single-family residence sales would more accurately reflect subject's value than sales of typical four-plex units because each of subject's units stood alone. The properties sold between \$96.15 and \$116.76 per square foot. Subject was valued at \$97.96 per square foot.

Also submitted by Respondent were nine (9) bare lot sales in subject's area. The lots were similar in size to subject, but not much other detail was provided. The average selling price was \$76,976, which Respondent noted was higher than the \$44,230 land assessment of subject.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purposes of property taxation, Idaho utilizes a market value approach as defined in Idaho Code § 63-201 (10);

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing sell, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The bare lot sales presented by Respondent look to support subject's land assessment. Not much detail was given about the lots, but they were similar in size to subject and were not contested by Appellant. The average selling price of the nine (9) sales was \$76,976. Subject's land was assessed for \$44,230, which supports Respondent's position that subject's land was not over-valued.

Respondent used the market data approach to value subject. In such instances, market value is determined by examination of recent and proximate sales of like property. In this case, Respondent submitted four single-family residence sales in subject's area. Subject is a single lot with four stand-alone units attached, however, is classified as a four-plex property. Respondent's assertion that single-family residences are good indicators of subject's value because of subject's unique characteristics is interesting, but it is hard to argue the properties are truly comparable. The most obvious concern is that subject's four units sit on the same parcel and cannot be sold individually.

Appellant's argument that subject should be no more than double the assessment of other duplex properties he owns, is likewise unconvincing. Using the assessment of a duplex property and simply doubling it to arrive at the value of a four-plex is not a recognized appraisal approach and would thus be inappropriate to use here.

The most compelling fact in this case is Appellant's March 2006 purchase of subject for \$325,000. Appellant contended too much was paid for subject so the purchase price should not be relied upon. While it is possible Appellant paid too much, the sale occurred between a willing buyer and a willing seller, neither of which were under any compulsion to buy or sell. As such, the Board views it as a valid market transaction and thus a good basis for valuing subject. As subject was assessed approximately \$40,000 less than Appellant paid in 2006, there is little

support for the position that subject is over-assessed. Together with Respondent's bare lot sales, there is nothing in the record to justify a reduction in subject's assessed value. Accordingly, the Board will affirm the decision of the Canyon County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED March 6, 2008